

PERAC

COMMONWEALTH OF MASSACHUSETTS | PUBLIC EMPLOYEE RETIREMENT ADMINISTRATION COMMISSION

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JOSEPH E. CONNARTON, *Executive Director*

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MEMORANDUM

TO: Gardner Retirement Board

FROM: Joseph E. Connarton, Executive Director

RE: Approval of Funding Schedule and Revised Appropriation for Fiscal Year 2017

DATE: December 4, 2015

Revised Appropriation for FY17: **\$3,648,767**

This Commission is hereby furnishing you with the amount to be appropriated for your retirement system for Fiscal Year 2017, which commences July 1, 2016.

This amount revises the appropriation amount shown in our November 9, 2015 letter based on the funding schedule recently adopted by the Board (copy enclosed). The schedule assumes payment is made on July 1 of each fiscal year. The schedule is effective in FY16 (since the amount under the prior schedule was maintained in FY16) and is acceptable under Chapter 32.

The revised allocation by governmental unit is as follows:

City	\$3,484,937
Housing Authority	163,830

If you have any questions, please contact PERAC's Actuary, Jim Lamenzo, at (617) 666 - 4446, extension 921.



GARDNER CONTRIBUTORY RETIREMENT SYSTEM

FUNDING SCHEDULE

Fiscal Year	Normal Cost	Unfunded Liability	Funding Amortization of UAAL	Net 3(8)(c) Payments	Schedule Contribution*
2017	519,453	36,837,643	2,973,492	155,822	3,648,767
2018	537,634	36,530,953	3,119,506	155,822	3,812,962
2019	556,451	36,042,598	3,272,272	155,822	3,984,545
2020	575,927	35,350,989	3,432,101	155,822	4,163,849
2021	596,084	34,432,501	3,599,317	155,822	4,351,223
2022	616,947	33,261,298	3,774,259	155,822	4,547,028
2023	638,540	31,809,143	3,957,282	155,822	4,751,644
2024	660,889	30,045,196	4,148,757	155,822	4,965,468
2025	684,020	27,935,783	4,349,072	155,822	5,188,914
2026	707,961	25,444,165	4,558,632	155,822	5,422,415
2027	732,740	22,530,268	4,777,862	155,822	5,666,424
2028	758,386	19,150,408	5,007,205	155,822	5,921,413
2029	784,929	15,256,980	5,247,125	155,822	6,187,876
2030	812,402	10,798,131	5,498,107	155,822	6,466,331
2031	840,836	5,717,400	5,717,400	155,822	6,714,057
2032	870,265	-	-	155,822	1,026,087

Amortization of Unfunded Liability as of July 1, 2016

Year	Type	Original Amort. Amount	Percentage Increasing	Original # of Years	Current Amort. Amount	Years Remaining
2017	Fresh Start	N/A	N/A	15	N/A	15

Notes on Amortization of Unfunded Liability

Year is the year the amortization base was established. Type is the reason for the creation of the base. Original Amortization Amount is the annual amortization amount when the base was established. Percentage Increasing is the percentage that the Original Amortization Amount increases per year. Original # of Years is the number of years over which the base is being amortized. Current Amortization Amount is the amortization payment amount for this year. Years Remaining is the number of years left to amortize the base.

*Contribution is set to be the amount resulting from a 6.2% increase on the prior year's contribution, with 4.5% increase thereafter. The contribution in FY2031 increases by 3.83%. Contribution is assumed to be made on July 1st every year. If contributions are made after July 1st the contribution amount should be adjusted.